

**State of Utah****Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

November 27, 2006

CERTIFIED MAIL NO. 7004 2510 0004 1824 2581

Denise Dragoo,
Snell & Wilmer
15 West South Temple, Suite 1200
Gateway Tower West
Salt Lake City, Utah 84101-1547

*Outgoing
1/007/001398*

Re: Request to Modify Stipulation Extending 60 day time limits for Permit
Decision for Lila Canyon Extension, UtahAmerican Energy, Inc.,
Horse Canyon Mine, C/007/0013

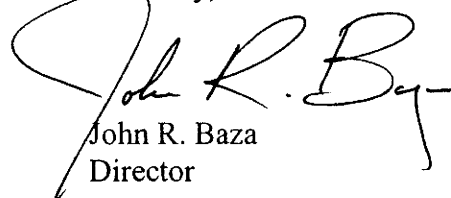
Dear Denise:

After our meeting with Mr. Murray on November 21, 2006, you provided the Division with a written request that the Division issue the mine permit for Lila Canyon Mine within 60 days. You referenced the provisions of Utah Code Ann. §40-10-14 that requires a decision on the permit within 60 days of the conclusion of an informal conference, if one has been held.

The Division, UtahAmerican Energy, Inc. (UEI), Southern Utah Wilderness Alliance (SUWA), and Emery County, all participants in the Informal Conference hearing on November 8, 2005, signed a written stipulation waiving the 60 day limitation of that section to allow the Division additional time prior to making its final decision on the permit application "as necessary to complete the tribal consultations and determinations required by [the National Historic Preservation Act]." I believe it is necessary for you to file a Motion with me as Director, with copies to the parties, requesting that the Order be modified and the Informal Conference closed. Unless there is agreement among all parties to the Stipulation, the Division will provide an opportunity for a hearing on the motion.

If there are any questions please advise.

Sincerely,


John R. Baza
Director

cc: John E. Jevicky - CERTIFIED MAIL NO. 7004 2510 0004 1824 3519
Ray Peterson, Emery County - CERTIFIED MAIL NO. 7004 2510 0004 1824 3526
Stephen Bloch, SUWA - CERTIFIED MAIL NO. 7004 2510 0004 1824 2598